Writing off of Irrecoverable Loans by FIs

†2624. SHRI KAPIL SIBAL:
DR. D. MASTHAN:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that irrecoverable loans are written off by Financial Institutions under public sector;

(b) if so, the total amount of loans written off by these institutions during 1997-98, 1998-99 and 1999-2000; and

(c) the year-wise amount granted as loans during the above years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL): (a) In cases where settlement are negotiated or securities are enforced, the irrecoverable amounts out of such loans are written off when such assets are downgraded by financial institutions as loss assets. However, such write-offs are technical in nature for the purpose of accounting by FIs as these amounts remained due from the borrower and regular recovery process is pursued with them.

(b) and (c) Total amount of loans written off by IDBI, IFCI, ICICI (principal amount alone sacrificed) IIBI, SIDBI and EXIM Bank during the last three years are as under:

(*Rs. in crore*)

Year	Amount
1997-1998	683.31
1998-1999	1126.58
1999-2000	1196.49

No fresh sanctions or disbursements are generally made by financial institutions in respect of cases which have been written off.

Setting up of Bank of Gujarat Ltd.

2625. SHRI BRAHMAKUMAR BHATT: Will the Minister of FINANCE be pleased to state:

(a) whether RBI issued a licence to Gujarat Government for setting up of Bank of Gujarat Ltd. in Gujarat;

†Original notice of the question was received in Hindi.

(b) whether the licence has been utilised and Bank has been set up;

(c) if so, when and where;

(d) if not, the reasons therefor; and

(e) whether the licence will remain alive or be cancelled?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (e) Reserve bank of India (RBI) has reported that it has not issued any licence for setting up Bank of Gujarat Ltd. RBI has further reported that it had issued an "in-principle" approval to Gujarat State Fertilizer Co. Ltd., in January, 1994 to set up a bank to be known as Bank of Gujarat Ltd., which was withdrawn in January, 1999 due to changes in the composition of the promoter group and delay in setting up the Bank.

Banks lending by to Infrastructure projects

2626. SHRI R.S. GAVAI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that bank lending to infrastructure projects has been slow during the last three years;

(b) if so, the reasons therefor alongwith the gross credit; and

(c) the steps proposed to be taken to increase bank lending to infrastructure projects?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHEPATIL): (a) to (c) There has been a consistent increase in the gross bank credit (outstanding) to infrastructure industry during the last three years. Based on the data from 50 selected scheduled commercial banks, the gross credit to infrastructure industry was Rs. 3163 crore, Rs. 5941 crore and Rs. 7243 crore during the year 1997-98, 1998-99 and 1999-2000 respectively.

Commencement of operations by private insurance sector

2627. SHRI RAJNATH SINGH SURYA: Will the Minister of FINANCE be pleased to state:

(a) whether the new companies are yet to commence their operations even much after those have been issued licences for insurance business by the IRDA;